

Message Text

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ACTION EB-07

INFO OCT-01 ARA-06 ISO-00 CAB-02 CIAE-00 COME-00 DODE-00

DOT-00 INR-07 NSAE-00 FAA-00 SSO-00 NSCE-00 INRE-00

USIE-00 SS-15 NSC-05 L-02 H-02 /047 W

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O 082030Z APR 75

FM AMEMBASSY BUENOS AIRES

TO SECSTATE WASHDC IMMEDIATE 0674

C O N F I D E N T I A L BUENOS AIRES 2420

E.O. 11652: GDS

TAGS: EAIR, AR

SUBJ: CIVAIR: PANAM SCHEDULING PROBLEM

REF: A. STATE 76896; B. BA 2229

1. AS FURTHER BACKGROUND ON CONDITIONS PUT ON APPROVAL OF PANAM SCHEDULES (PARA 1 REF A), DNTAC NOTE TO PANAM SAYS WITH REFERENCE TO THE FIFTH EXTENSION TO MONTEVIDEO: "SINCE THIS APPLICATION HAS NOT BEEN SUBMITTED IN THE SAME FORM AS PREVIOUSLY BY PANAM, AND SINCE NEGOTIATIONS ARE UNDERWAY WHICH WILL DETERMINE THE STRUCTURE OF THE SERVICES, FOR POLITICAL REASONS THE MODIFICATION REQUESTED MUST BE DENIED." NO OTHER REASONS WAS CITED FOR REJECTING THE FIFTH FREQUENCY.

2. EMBASSY MADE ORAL REPRESENTATIONS ON PANAM SCHEDULE PROBLEM APRIL 7. RINALDINI (FONOFF), WHO HAD DISCUSSED MATTER WITH DNTAC, CLAIMED THAT RESUMPTION OF FIFTH ONWARD FREQUENCY TO MONTEVIDEO HAD NOT BEEN THE SUBJECT OF A CONTINUING APPROVAL BY DNTAC. PANAM, HE TOLD ECONCOUNS, SHOULD HAVE BEEN FULLY AWARE THAT ROUTINE APPROVAL COULD NOT HAVE BEEN EXPECTED. GOA POSITION, AS IT HAD BEEN AT TIME CHANGE OF GAUGE AT CARACAS WAS DISCUSSED, WAS THAT WHILE TALKS PROCEEDED, STATUS QUO OF CARRIER OPERATIONS HOULD REMAIN THE SAME ON BOTH SIDES. IT WAS NOT APPROPRIATE OR INCUMBENT ON GOA TO ACCEPT CHANGE PROPOSED BY PANAM. IF PANAM WANTS
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FIFTH FREQUENCY TO MONTEVIDEO ON REGULAR BASIS,THIS

SHOULD BE WORKED OUT DURING TALKS, EITHER SPECIFICALLY OR WITHIN GENERAL PROVISIONS ON ROUTES. RINALDINI COMPARED PANAM'S FILING WITH, FOR EXAMPLE, THE FILING OF A NEW ARGENTINE/US FLIGHT BY EITHER US OR GOA CARRERS, WHICH WOULD NO DOUBT BE REFUSED AT THIS TIME. HE NOTED THAT PANAM CONTINUED TO CHANGE GAUGE AT CARACAS, AND HAD AUTHORITY TO DO SO UNTIL APRIL 17.

3. ECONCOUNS STRESSED THAT PANAM HAD ONLY BEEN RESUMING FIFTH FREQUENCY WHICH IT HAD OPERATED UNTIL TEMPORARY SUSPENSIONS IN DECEMBER. DNTAC AUTHORITY FOR FIVE FREQUENCIES WAS DOCUMENTED IN PERMIT GIVEN FOR SCHEDULES FILED MARCH 1974 AND WE COULD NOT UNDERSTAND WHY QUESTION AROSE ON ITS RESUMPTION. US BELIEVED THAT APPROVAL OF ROUTINE AND PREVIOUSLY ACCEPTED CHANGES IN SCHEDULES - INCLUDING FIFTH FREQUENCY - SHOULD GO ON WHILE INFORMAL OR FORMAL TALKS IN PROGRESS. ECONCOUNS REMINDED RINALDINI THAT US HAD NOT BEEN PREPARED ENGAGE IN TALKS WHILE US CARRIER BLOCKED FROM CHANGE OF GAUGE IN CARACAS. THIS COULD BE AGAIN A PROBLEM AFTER APRIL 17. WE BELIEVED THAT MUTUAL POLICY OF UNDERSTANDING ON ROUTINE MATTERS ESSENTIAL IN MAINTAINING ATMOSPHERE FOR TALKS. EMBASSY DOUBTED TALKS COULD BE CONTINUED UNLESS THESE MATTERS OF ROUTINE NATURE ARE RESOLVED.

4. RINALDINI'S REPLY WAS TO INSIST THAT WHILE GOA AND DNTAC COULD ACCEPT SCHEDULE CHANGES OF HOURS AND DAYS AS ROUTINE, ADDITION OF FIFTH MONTEVIDEO FREQUENCY WAS NOT OF THIS NATURE. HE HOPED GOA AND US COULD MOVE ALONG PROMPTLY WITH TALKS AND GET ALL OF THESE MATTERS SETTLED.

5. COMMENT: I FIND RINALDINI'S REMARKS TO ECONCOUNS AGAIN REFLECT UNREALISTIC AND CONTENTIOUS APPROACH WHICH HAS CHARACTERIZED MOST OF OUR CIVIL AIR TALKS WITH GOA IN PAST. THE CASE IN POINT IS EVEN MORE EXTREME, SINCE THE DENIAL OF RIGHTS ALREADY GRANTED BY GOA IS INVOLVED. TACTICALLY, THE MONTEVIDEO ISSUE IS ONE MORE DEVICE THEY HAVE SEIZED UPON TO PUT PRESSURE ON US AND GIVE THEM LEVERAGE IN NEGOTIATIONS.

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6. I HAVE CONSIDERED RAISING CIVIL AIR PROBLEM WITH FONMIN VIGNES BUT AM RELUCTANT TO DO SO UNTIL FIRM DATE SET FOR SECRETARY'S VISIT. AS ALTERNATIVE, AM PREPARED TO RAISE WITH MINISTER OF TRANSPORT AND PUBLIC WORKS NOVARO. HOWEVER, I BELIEVE TIME HAS COME FOR US TO TELL FONOFF AND TRANSPORT MINISTRY AT HIGHEST LEVEL THAT US IS SUSPENDING TALKS UNTIL THESE MATTERS RESOLVED. I THINK THAT ONLY BUT BLUNT LANGUAGE WILL BE EFFECTIVE.

WE ARE UNFORTUNATELY DEALING WITH A GROUP IN THE AIR
FORCE (INCLUDING WITTE) AND FONOFF WHO APPARENTLY ARE
NOT CONCERNED WITH AEROLINEAS COMMERCIAL INTERESTS AND
WILL BE RESPONSIVE ONLY TO DIRECT TACTICS, ESPECIALLY
IF THEIR NATIONALISM IS TOUCHED. GOA OFFICIALS, INCLUD-
ING AMBASSADOR ORFILA ARE MUCH INTERESTED IN HAVING
AEROLINEAS NEW 747 FLY TO THE US AND I THINK IT SHOULD BE
CONVEYED TO ORFILA THAT THERE IS A DIRECT RELATIONSHIP
BETWEEN AEROLINEAS 747 SERVICE, PANAM'S SCHEDULING
PROBLEMS AND THE SUCCESS OF US/GOA BILATERAL TALKS.
ACTION REQUESTED: THE DEPARTMENTS VIEWS AND INSTRUCTIONS.
HILL

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